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SUBJ: KAZAKHSTAN: NEW OWNER OF POPULAR WEEKLY CEDES
CONTROL TO EDITOR

Ref: Almaty 379

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¶1. (SBU) Summary: In mid-May, the publisher of the country's most popular newspaper, Vremya, announced "a new concept" for the paper, prompting the resignation of editor Igor Meltser and his entire staff of reporters. Bigeldin Gabdullin, the new editor, published two issues conforming to the "more patriotic" tone desired by the publisher, while subscriptions dropped 14 percent. On May 31, a new buyer purchased the paper and convinced Meltser and his team to return by promising not to interfere in the editorial policy. Meltser registered a new publication back in January (reftel) and is ready to walk again if the current owner has a change of heart. End summary.

Meltser Crew Quits on Principle, Refuses Higher Salaries

¶2. (SBU) For the past two weeks, Kazakhstan's media and media watchers have been riveted by a tug-of-war for editorial control of Vremya, the country's most popular newspaper. Vremya editor-in-chief Igor Meltser resigned in mid-May rather than implement the publisher's "new concept" for the weekly. Bigeldin Gabdullin, chief editor of another weekly, the Central Asia Monitor, was appointed in his place to tone down the paper's critical, satiric edge and make it "more patriotic." Gabdullin's comments in a May 22 interview with pro-government Megapolis that the paper had "depleted itself" to the point that it was "practically about nothing" prompted the paper's Almaty correspondents to quit in disgust. In the same interview, Gabdullin said that "a newspaper's brand is its staff" and that the owner had tried to persuade Meltser and his team of journalists to stay by offering higher salaries. (Meltser himself told emboff June 1 that the publisher offered to double or even triple salaries.) With Gabdullin at the helm, the paper lost several advertisers and about 25,000 of its 180,000 subscribers.

Vremya Sold to New Owner, Editor Offered Free Reign

¶3. (U) Then on May 31, Meltser and his staff returned to Vremya after the paper had been abruptly sold to a new owner who promised Meltser complete editorial independence. Altyn House, a front company for the previous owner, provided a statement to the Interfax news agency that the

previous owner decided on May 30 to sell 77.5 percent of its shares to another, unnamed company. According to Interfax's reporting on the statement, the buyer agreed only on condition that Meltser and his team return.

14. (SBU) In the June 1 conversation with emboff, Meltser said "unexpected" did not come close to describing his surprise at the abrupt change in owners and the offer of full editorial control. When Vremya's former owners, Kazkommertsbank director Nulzhan Subhanberdin and Bulat Abilov, sold their controlling share in December (reftel), Altyn House first asked Meltser to stay and he agreed, on condition that he would have full editorial autonomy to run the paper as he saw fit. He said that around May 19, a representative of Altyn House paid him a visit and said they wanted to install an "owner's representative" and that it wanted to change the paper "a little." Meltser immediately resigned, and said he was ready to forget about Vremya and start the new paper he had already registered with the Information Ministry. Meltser said that on May 30, "people from another organization" told him they would buy Vremya from Altyn House, but only if he and the old Vremya team returned to their jobs. He agreed, he said, because he saw a tough time ahead in trying to quickly establish his new project. When asked what guarantees the buyer offered him, Meltser said only that at the first sign of interference he would walk away again.

What is Presidential Adviser Tazhin's Role?

15. (SBU) The new buyer's identity is not publicly known, and if Meltser knows who it is, he is not saying. As for the December buyer, deputy editor Marat Asipov told emboff in a May 23 conversation it was Kazakhmys, the copper conglomerate that purportedly has close ties to the president. Democratic Choice of Kazakhstan leader Galymzhan

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Zhakiyanov told emboff May 31 that the December buyer was more precisely Kazakhmys vice president Vladimir Ni, an ethnic Korean who served many years in the Presidential Administration. (Comment: Kazakhmys, the tenth largest copper company in the world, had a very successful IPO in London in December 2005, and its share price has more than doubled since then. Kazakhmys was probably motivated to unload a relatively minor investment embroiled in a controversy that could reflect on the company. End comment.) Asipov also said Meltser and Boris Kopelman, the general director of Vremya Print, told him that Security Council Secretary Marat Tazhin had coerced the sale because Tazhin wanted the paper to be in the hands of an administration-friendly owner before the next round of elections. Tazhin himself told Ambassador Ordway in January that he had nothing to do with the sale and said with evident regret that the paper was unlikely to survive in its present form.

16. (SBU) Tazhin's name came up in connection with Gabdullin's appointment as the interim editor and as the new buyer. In another conversation June 1 Zhakiyanov told emboff that it was Tazhin who persuaded Gabdullin in mid-May to take over as Vremya editor - a job that no other newsman would dare take on - and that Gabdullin had to agree because he had few other options. (Note: Gabdullin was once close to former prime minister and Nazarbayev rival Akezhan Kazhegeldin and fled to the United States several years ago after being accused of bribery. He returned to Kazakhstan in the fall of 2004 and was rumored to have "cut a deal" with Tazhin in return for immunity from prosecution. End note.) Yermurat Bapi, editor of the banned Zhuma Times opposition weekly, suggested to emboff that Tazhin bought Vremya because Gabdullin was destroying Vremya by alienating its journalists, while generating publicity that would almost guarantee the success of Meltser's new project.

A Victory for Free Speech or a Strategic Compromise?

17. Comment. (SBU) At face value, the buyer's concession to give Meltser editorial independence seems to support free speech, especially given Vremya's reputation for investigative journalism. Meltser has in the past stood firm in publishing articles on corruption among government officials. However, some analysts suggest the paper has had to make concessions of its own. Zhakiyanov told emboff that Vremya almost ignored the 2005 presidential elections because Meltser had been warned off by the paper's owner at the time. As Meltser himself told emboff June 1, "no newspaper can be successful without making some compromises," a reference perhaps to the need for self censorship when covering the activities of a powerful administration still coming to terms with the concept of media independence. Given Vremya's high profile and the very public denouement of staff resignations and reversals, media analysts in Kazakhstan will be scrutinizing the paper for any telltale signs of editorial shift. End comment.

Ordway